

UNITED STATES DISTRICT COURT  
EASTERN DISTRICT OF NEW YORK

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VIRGINIA IANNIELLO,

Plaintiff,

-against-

HARTFORD LIFE AND ACCIDENT INSURANCE  
COMPANY; GROUP LONG TERM DISABILITY  
PLAN FOR EMPLOYEES OF AMERICAN  
INTERNATIONAL GROUP, INC.,

Defendants.  
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Civ. Act. No.: 10-CV-0370 (SJF) (ARL)

**DECLARATION OF  
BRUCE LUDDY**

DOCUMENT  
ELECTRONICALLY FILED

BRUCE LUDDY, pursuant to 28 U.S.C. §1746(2), declares under penalty of perjury the following:

1. I am the Director of Litigation and Appeals for Hartford Life and Accident Insurance Company (hereinafter "Hartford") and have held that position since 2005. As part of my duties in this position, I am responsible for supervising the claims staff who decides appeals of denied disability benefit claims. Prior to that time, I was the Assistant Director of Litigation and Appeals since 1998. I am fully familiar with the claims and appeals policies and procedures Hartford employed in 2008 and 2009 when Virginia Ianniello's ("Ianniello") claim was being evaluated. As such I am fully familiar with the facts and circumstances contained herein. I submit this Declaration in connection with Hartford's Motion for Summary Judgment.

2. During Hartford's review of Ianniello's claim for continuing long-term disability ("LTD") benefits under the Group Long Term Disability Plan for Employees of American International Group, Inc. ("the Plan"), an Ability Analyst and a Claim Specialist determined that Ianniello's claim should be denied. This recommendation was approved by another Claim Specialist and an Assistant LTD Director, all of whom are or were members of the claims department. The administrative appeal was decided by an Appeals Specialist who is or was a member of the appeals unit.

3. Hartford maintains a separate appeals unit for the consideration of claims that have been denied by the claims department on its initial review.

4. Each Appeals Specialist in Hartford's appeal unit is charged with making an independent assessment of the adverse claim decision based on the relevant provisions in the governing LTD Plan/policy and upon all of the evidence contained in the claim file.

5. During the Appeals Specialist's review of a denied claim on administrative appeal, the individual responsible for the appeal does not discuss the merits of the claim with those who made the initial benefits determination, or those who approved the determination.

6. In evaluating claims under employee benefit plans insured by Hartford, it is Hartford's practice and intention to review such claims fairly, without regard to the manner in which the plan is funded, and to consistently award benefits on claims that are entitled to payment pursuant to the provisions of the applicable benefit plan while consistently denying claims that are not entitled to such payments. Hartford administers claims in substantially the same manner whether it is doing so under a fully insured policy or pursuant to an administrative services only agreement.

7. Hartford recognizes that awarding benefits on claims that are not entitled to such payments pursuant to the terms of the applicable plan/policy does not benefit all of the persons insured under that plan/policy as a group. Instead, such payments could result in increased premiums and/or a reduction or elimination of benefits by the employer, which will ultimately work to the detriment of all participants and beneficiaries of a given plan.

8. Hartford does not provide its Ability Analysts, Claim Specialists, Assistant LTD Directors, or Appeals Specialists with any incentives, remuneration, bonuses, awards, achievements, or other recognition based in whole or in part upon the denial or termination of claims. Hartford's claims decision-makers are paid fixed salaries and performance bonuses that are wholly unrelated to the number of claims paid or claims denied.

9. Hartford's Ability Analysts, Claim Specialists, and Appeals Specialists are evaluated on the quality and accuracy of their claims decisions in accordance with the applicable plan/policy documents.

10. Hartford's Assistant LTD Directors are evaluated on the quality and accuracy of their staffs' claims decisions in accordance with the applicable plan/policy documents.

11. Hartford does not discourage its claim decision-makers from paying legitimate claims.

12. Hartford's Ability Analysts, Claim Specialists, Assistant LTD Directors and Appeals Specialists are not involved in Hartford's financial decisions, including, but not limited to, any review or analysis of Hartford's financial performance.

13. Hartford's claims department and appeals unit are completely separate business units from the financial and underwriting departments.

14. Neither the claims department nor the appeals unit seeks approval from Hartford's financial underwriters in connection with their decision-making on claims for disability benefits.

15. Hartford's financial and underwriting departments do not advise or influence the claims department or appeals unit with respect to the denial or termination of a claimant's benefits. Indeed, these units are kept separate from each other.

16. The office of the Chief Financial Officer of Hartford, and its affiliate, subsidiary or parent companies, do not have any involvement and do not participate in claims decisions on disability benefits at any level.

I declare under penalty of perjury that the foregoing is true and correct.

Dated this 1<sup>st</sup> day of November, 2010

  
Bruce Luddy

**CERTIFICATE OF SERVICE**

I hereby certify that a true and correct copy of the attached **DECLARATION OF BRUCE LUDDY** was served via Federal Express on November 1, 2010 upon:

Robert J. Rosati, Esq.  
The ERISA Law Group  
2055 San Joaquin Street  
Fresno, CA 93721

s/\_\_\_\_\_  
MICHAEL BERNSTEIN  
Attorney Bar No.: MB-0579